

HIGHLIGHTS

A thorough review of this manual will be necessary to become familiar with all the items that are expected in a complete budget request. Some of the more significant changes to this manual are:

New For FY 2010

- **New Positions:** When budgeting for new classified positions, use 80% of policy on the state compensation schedule. The current amounts are reflected in Appendix D. Additional funding may be requested when necessary for recruitment purposes in the same line-item with proper justification in the B8.
- **Change in Employee Compensation:** The Employee Compensation Multiplier in decision unit 10.61 is calculated by using a 3% salary increase factor for permanent staff. The multiplier for group and temporary staff may be calculated in DU 10.62.
- **Electronic and Hardcopy Forms:** Electronic format and paper copies of all forms are required to be submitted to the Division of Financial Management (DFM) and the Legislative Services Office (LSO).
- **Form B-7:** The Form B-7 for one-time Operating Expenditures and one-time Capital Outlay has been revised. The new form provides for one agency wide form rather than by program. Additionally, it has columns to be completed by DFM and LSO analysts pertaining to Governor's Recommendation and the Joint Finance and Appropriations Committee (JFAC) action.
- **Variable Costs Calculations:** The variable costs calculations that were previously pre-formulated for agencies on the New Position Cost Calculations Schedule H (Appendix D) and on the Form B-6 are no longer factored due to the varying rates for Workers Compensation and Division of Human Resources (DHR) fees. Agencies will need to add those specific rates to accurately calculate their total variable costs.
- **Zero-Based Budgeting:** The Governor has directed all Executive Branch agencies to undertake zero-based budgeting over the next six years. Zero-based budgeting is an approach to review each agency's current base operations and associated funding to identify and prioritize activities that are essential to state government and true to each agency's statutory mission. Each fiscal year, starting with FY 2010 planning, there will be a group of agencies that will participate in a review of their base budget. Please see the schedule on the DFM website (<http://dfm.idaho.gov/>) of when your agency is expected to participate in this rotation. A separate guidance manual with forms for zero-base budgeting will be issued and training will be provided by DFM.

Reminders For FY 2010

- **Performance Reports:** Idaho Code requires agencies to submit both Part A and Part B of agency performance reports to DFM and LSO by September 2, 2008. Both the agency profile and other measures should be submitted separately from the budget request. Instructions for submitting agency performance data will be provided in a separate document. Analysts may contact agency staff for specific caseload data, if necessary, to complete their analysis of the submitted budget request.
- **Line Item Report:** Paper copy submissions should include a line item report that is generated from the budget development system.

- **On-Line Budget Development System:** The on-line Budget Development System is located at <http://apps.dfm.idaho.gov/bds/>. If you need access to the system please contact Anita Hamann at ahamann@dfm.idaho.gov.

PREFACE

Purpose of Manual

Instructions in this manual are presented to assist agencies in preparing their FY 2010 operating budget requests. The examples used in this manual are for illustrative purposes only and do not accurately reflect the budget of DFM.

The budget submittal procedures are designed to facilitate general consistency in the presentation and review of the requests while affording agencies the flexibility to clearly describe programs, objectives, and needs.

When developing recommendations for the Governor for the allocation of all state resources, DFM reviews all state agencies' operating budget requests for compliance with basic budget policies and statutory requirements. This review results in the Governor's annual budget recommendation to the Legislature, and culminates with the final budget decisions made by the Legislature.